

# No. 27. The Workingman and Taxation.

It has been made a cause of complaint against the National Policy that it has increased the taxation of the people. Mr. Blake has on several occasions made this charge. At Galt, at Toronto, at Montreal, and many other places, Mr. Blake has asserted that every workingman and his family is obliged to take from his earnings the sum of \$45 a year to pay the taxes imposed upon him by the National Policy. He has on several occasions promised that if the workingman will support him, he will see that a less taxation than \$45 is taken from the average workingman's family. The promise is a safe one, for the taxation is nothing like the amount he has stated.

It has already been shown in the columns of the STAR that the workingman receives better wages and fuller employment under the National Policy than he did under the old tariff. It has also been demonstrated that the purchasing power of the dollar, has greatly increased, groceries, clothing, coal, etc., etc., being much lower in price now than in 1878.

But if this increased power to earn wages, through increased price of labor and constant employment; if this decreased cost of the necessities of living are offset by increased expenditure in the shape of taxation, then the gain is not so great as it appeared; there is an evil to be set off against the good. Even if the average workingman's family had to pay \$45 a year in taxes to the Federal Government he would still be a great many dollars ahead in the year. We contend that no such sum is paid, that in point of fact there has been no increase of taxation as respects the workingman.

Mr. Blake stated that \$15 of the \$45 were profits charged on the extra duties by the wholesale and retail dealers. That statement has been proved absurd, because, as has been shown, articles of food, clothing, light and fuel are lower now than they were in 1878.

The remaining \$30 Mr. Blake says is paid directly into the Dominion Treasury as taxes. He is singularly inaccurate in matters of account. For instance, it has been shown that in his Montreal speech he added expenditures on capital account and on current account together, in order to find out the yearly expenditure required to run the governmental machine. A bookkeeper in any firm in Montreal who would add the cost of the building in which the business is carried on to the firm's yearly expenditure required to run the business, would be sacked on the spot for his incompetency. The business of a country is just like the business of a mercantile firm in respect to the difference between current expenditures and capital outlay.

Mr. Blake makes the same singular mistake in dealing with the taxation. He takes the whole revenue and calls it taxation. Thus in 1885, according to the Public Accounts, the whole revenue amounted to \$32,500,000. Dividing that amount by the number of families in Canada, Mr. Blake gets \$30 as what he calls the taxation paid by the average family of five persons. But the trouble with Mr. Blake's calculation is that he starts wrong. The \$32,500,000 is not all of it taxation, though it is all revenue. The people of Canada own railways, canals and other public works. There are stamps for letters which the Government sell. If a man wants to travel to Halifax, he gets a ticket over the Intercolonial which belongs to the Government. He pays for it, but he is carried to the place he desires to reach. He has his money's worth for his money, just as he has when he travels on the Grand Trunk. If he wants to send a letter, he pays for a stamp and gets his money's worth in the carrying and delivering of the letter. This is not taxation. It is not necessary for him to travel unless he thinks it will pay him. It is not necessary for him to send the letter, unless he thinks advantage of some kind will result to himself or his friends.

Taxation, on the other hand, is the toll which the Government takes from everyone, in some shape or other, to be expended for governmental or administrative purposes—to pay the interest on the public debt, the salaries of officials, the cost of lighting and

heating the public buildings, the indemnity to members of Parliament, etc. Everybody has to pay his share of this. The earnings from Government investments (amounting in 1885 to nearly \$2,000,000,) the earnings of the Government railways (in 1885, \$2,750,000), the earnings of the post-office (in 1885 \$2,400,000,) and sundry other receipts, in all amounting to \$7,412,472, are not taxation but are revenue. This sum must be deducted from Mr. Blake's \$32,500,000 before we can get at the taxation as distinguished from the revenue. We see what a curious mistake Mr. Blake, in his ignorance of business matters, made, when he confounded taxation with revenue.

In Canada, for Federal purposes, taxation includes only the amount raised by customs and internal revenue duties.

Turning to the Public Accounts we find as follows: "Receipts from taxes 1884-5, \$25,384,529." Again, with this staring him in the face, one wonders how Mr. Blake came to make such a bungle of it as to declare that the receipts from taxes amounted to \$32,500,000.

Correcting Mr. Blake's strange blunder, we have, as the yearly taxation of the average family of five persons, rich and poor together, the sum of \$24 or thereabouts, instead of Mr. Blake's \$45.

But that is not all. When we desire to find out how much per family the workingmen of Canada are called upon to pay to the Government as taxes, we must enquire what are necessities and what not. Now, \$8,450,000 of the \$25,500,000 is raised from spirits, alcoholic liquors and tobacco. Any workingman who contributes to the \$8,500,000, does so voluntarily and not of necessity. He need not pay one cent of it unless he chooses. Then, \$1,624,000 of the \$25,500,000 is paid into the treasury as duties on high class luxuries such as silks, satins, jewellery, etc., which the average workingman may buy or not just as he chooses. He is not compelled to pay any portion of that. These two amounts deducted from the \$25,500,000, leave \$15,000,000, which, divided among the families of the land, gives just about \$14.50 as the necessary taxation which a sober, industrious workingman and his family have to pay each year towards the maintenance of the Government instead of Mr. Blake's \$45. This is the price he pays for law and order, for the management of the public affairs of the country.

Now, how does that compare with other countries?

In England, the average workingman's family contributes \$24.25 a year to the Treasury, in the shape of taxes, and is much less able to do it.

In the United States, according to Mr. Atkinson, the proportion of national taxes paid by the artisan's family of five persons is \$25, or \$5 per head, against \$4.80 per head in Canada, taking in both cases the taxation to include the liquor and tobacco part of the Bill.

In France, the proportion is \$18 per head.

Now look for a moment how near we in Canada come to having a free breakfast table. Tea and coffee are untaxed. If they were taxed at the same rate as under the Cartwright tariff, there would be an addition of \$1,120,000 to the taxes. The present Government took off these taxes. Sugar and molasses are taxed much lower than they were under the Cartwright tariff, and the workingman gets the benefit by having to pay only 6 cents a pound instead of 9½ cents as in 1878. We pay less in taxes for these two articles by \$2,300,000 than in 1878. The other articles of the breakfast table are raised on the farms and in the gardens of Canada, and on these we pay no taxes. The wood to cook the meal comes from our own forests, and we pay no tax to the Federal Government on that. If coal is burned, we pay just the same price for it that the people of Boston pay, and less than the people of New York pay, for exactly the same article.

It will thus be seen that the workingmen and farmers of Canada are less taxed than the same classes in other countries. It may be put down as an actual fact that the workingmen and the farmers of Canada are more lightly taxed than those of any other country. It will also be seen how unsafe a guide Mr. Blake is in matters of this kind.